

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Rhonda K. Moothart,
Appellant,

v.

Black Hawk County Board of Review,
Appellee.

ORDER

Docket No. 13-07-0840
Parcel No. 8813-16-454-010

On December 26, 2013, the above-captioned appeal came on for consideration before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Appellant Rhonda K. Moothart was self-represented and requested her appeal proceed without a hearing. Assistant County Attorney David Mason represented the Board of Review. The Appeal Board now, having examined the entire record and being fully advised, finds:

Findings of Fact

Rhonda K. Moothart is the owner of property located at 224 W Orange Road, Waterloo, Iowa. The real estate was classified residential on the January 1, 2013, assessment and valued at \$173,570, representing \$29,160 in land value and \$144,410 in improvement value.

Moothart protested to the Board of Review claiming the property was inequitably assessed under Iowa Code section 441.37(1)(a)(1) and that the property was assessed for more than authorized by law under section 441.37(1)(a)(2). She asserted the correct value was \$162,000. The Board of Review denied the protest.

Moothart then appealed to this Board reasserting her claims.

The property record card indicates the subject is a one-story home built in 1955. It has 1460 square feet of above-grade living area and a full basement with 650 square feet of finish. It also has a

440 square-foot attached garage; a 780 square-foot detached garage built in 2010; and two open porches. The site is 0.507 acres.

Moothart listed four properties on her protest form for her inequity claim. The following chart summarizes these properties.

Address	2013 Total Assessed Value	Year Built	Size	Basement Finish
Subject	\$173,570	1955	1460	650
129 Lichty Blvd	\$164,970	1961	1486	0
121 Lichty Blvd	\$162,370	1977	1284	550
313 W Orange Rd	\$127,160	1962	1320	375
137 Lichty Blvd	\$178,120	1976	1520	500

Moothart also provided written summaries on each of the above properties and re-asserted her position to this Board regarding the same four properties. However, we do not find it necessary to dissect the information or conclude if they are sufficiently similar for an equity analysis because none of the properties she listed has recently sold. An equity analysis typically compares *prior year sale prices* (2012 sales in this case) or established market values to the *current year's assessment* (2013 assessment) to determine the assessment/sale price ratio.

To this Board, Moothart submitted a spreadsheet of 87 Orange Township properties. She notes that 79 had “significant drops” of approximately \$15,000 from the 2012 to 2013 assessments; yet the subject’s 2013 assessment was only reduced \$2830 from the 2012 assessment. (Exhibit 2). However, simply comparing assessment reductions is insufficient evidence for an equity claim. Additionally, Moothart did not make any assertions that the assessor applied an assessing method in a non-uniform manner to similarly situated or comparable properties.

Moothart also submitted a spreadsheet of “homes selling less than the assessed value.” (Exhibit 3). She updated this spreadsheet in April 2013. There are total of sixteen properties listed comparing their sale prices to their assessed values. Essentially, this spreadsheet attempts to create an

assessment/sale price ratio analysis. As previously noted, an equity analysis compares prior year sales (2012) to the current year's assessment (2013). Only three of the sixteen properties Moothart listed sold in 2012. The assessment/sale price ratio analysis of these properties is shown below.

Address	2013 Total Assessed Value	Sale Price	Sale Date	Ratio
5870 Kimball Ave	\$160,110	\$155,000	Jul-12	1.03
251 Lichty Blvd	\$157,020	\$157,000	Mar-12	1.00
116 Lichty Blvd	\$181,670	\$160,000	Nov-12	1.14

A ratio greater than 1.00 indicates over-assessment; whereas, a ratio less than 1.00 indicates the property may be under-assessed. An assessment/sale price ratio of 1.00 indicates the assessed value and sales prices are in line. Two of the three sales provided by Moothart suggest over-assessment. However, there is limited information about these properties in the record, and we are unable to determine if they are sufficiently similar to the subject property for an equity comparison. Additionally, there is no information in the record regarding the sales to determine if they were normal, arm's-length transactions. For these reasons, we give this evidence no consideration.

Finally, Moothart did not provide any evidence of the fair market value of her property as of January 1, 2013. This evidence is necessary to complete an equity analysis and to prevail on an over-assessment claim.

The Board of Review submitted a letter dated December 11, 2013, from County Assessor Tami McFarland. McFarland asserts the differences in assessed values between the subject property and the four comparables Moothart submitted are due to differences in age and amenities.

McFarland also submitted a spreadsheet of two sales located at 116 W Orange Road and 5870 Kimball Avenue. The property on Orange Road sold in November 2011 for \$190,000 and the Kimball Avenue property sold in July 2012 for \$155,000. McFarland asserts the median sale price per-square-foot of the two properties of \$130.62 multiplied by the subject property's living area of 1460 square

feet results in a value of \$190,710. In her opinion, this analysis supports the assessment. However, we will not rely on this analysis because it does not compare adjusted sales prices.

Conclusion of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2011). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). However, new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). "Market value" essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available, "other factors" may be considered in arriving at market value. § 441.21(2). The assessed value of the property shall be one hundred percent of its actual value. § 441.21(1)(a).

To prove inequity, a taxpayer may show that an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the

property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 257 Iowa 575, 133 N.W.2d 709 (Iowa 1965). The six criteria include evidence showing

“(1) that there are several other properties within a reasonable area similar and comparable . . . (2) the amount of the assessments on those properties, (3) the actual value of the comparable properties, (4) the actual value of the [subject] property, (5) the assessment complained of, and (6) that by a comparison [the] property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and the actual valuations of the similar and comparable properties, thus creating a discrimination.”

Id. at 711. The *Maxwell* test provides that inequity exists when, after considering the actual and assessed values of comparable properties, the subject property is assessed at a higher proportion of this actual value. *Id.* The *Maxwell* test may have limited applicability now that current Iowa law requires assessments to be at one hundred percent of market value. § 441.21(1). Nevertheless, in some rare instances, the test may be satisfied.

Moothart offered for four equity comparables; however, none of them recently sold. An equity analysis typically compares *prior year sale prices* (2012 sales in this case) or established market values to the *current year’s assessment* (2013 assessment) to determine the assessment/sale price ratio. Additionally, an equity analysis under *Maxwell* requires evidence of the subject property’s actual value.

Moothart also submitted a list of sixteen sales but only two occurred in 2012 and could therefore be considered for an assessment/sale price ratio analysis. However, there is insufficient information in the record to determine if these properties are sufficiently similar or if the sale transactions were arm’s-length. Furthermore, Moothart did not assert different assessing methods were used to value the subject property. Thus, her evidence did not prove inequity under either legal test.

In an appeal alleging the property is assessed for more than the value authorized by law under section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property’s correct value. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa

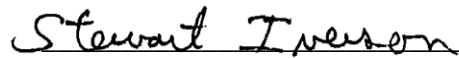
1995). Moothart did not submit any evidence of the subject property's fair market value as of January 1, 2013, and has not shown it is over-assessed.

THE APPEAL BOARD ORDERS the 2013 assessment of Rhonda K. Moothart's property located at 224 W Orange Road, Waterloo, Iowa, as set by Black Hawk County Board of Review is affirmed.

Dated this 22nd day of January, 2014.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

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